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AZ CORP COMMISSION
DOCKET CONTROL

January 16, 2009

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: PVNGS OUTAGE REPORT
DECISION NO. 69663
DOCKET NO. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

Dear Sir or Madam:

Pursuant to Decision No. 69663, Page 157, Line 18:

"IT IS FURTHER ORDERED that until a Plan of Administration for the Nuclear Performance Standard is in place, for all planned and unplanned outages at Palo Verde, Arizona Public Service Company shall identify all replacement power costs, as well as the amount of reduced off-system sales and lost opportunity sales margins associated with each outage, and file with Docket Control as a compliance item in this Docket, documentation with the Commission explaining the reasons for the outage and the associated costs, within 60 days of the conclusion of the outage."

Enclosed please find an Outage Report for planned or unplanned outages at the Palo Verde Nuclear Generating Station.

If you should have any questions regarding the information contained herein, please call Mr. Jeff Johnson at 602-250-2661.

Sincerely,

Leland R. Snook

LRS/dst

Attachments

Cc: Brian Bozzo
Ernest Johnson
Terri Ford

Arizona Corporation Commission
DOCKETED

JAN 16 2009

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OUTAGE REPORT
PALO VERDE NUCLEAR GENERATING STATION (PVNGS)
PURSUANT TO DECISION NO. 69663

A planned refueling outage of PVNGS Unit 1 began on October 4, 2008. In addition to routine refueling, the scope of the work performed during the outage included several major projects such as replacement of a main transformer, replacement of control element assemblies and drive mechanism upgrades, replacement of diesel generator relays and governors, high pressure safety pump modification, engineered safety feature actuation system upgrades, weld overlay work on hot leg nozzles, and various valve repairs and replacements. Unit 1 was returned to service on November 19, 2008.

Replacement net fuel and purchased power costs incurred as a result of this outage were \$7.0 million. Because this outage was planned, it did not result in any reduced off-system sales or lost opportunity sales margins.